



**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
**(A Company Limited by Guarantee)**

**REPORT and FINANCIAL STATEMENTS**

**For the year ended 31 March 2020**

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
(A Company Limited by Guarantee)**

**Legal and administrative information**

**For the year ended 31 March 2020**

**Directors**

Daniel J Evans (Chair)  
Carol M Bartholomew  
Ann E Pike  
Alexander Milne  
Lynda A Ross-Hale  
Archibald G Meikle  
Margot Ferguson (appointed 1 April 2019)

**Secretary**

Alexander Milne

**Chief Executive Officer**

Alan McCloskey

**Registered Office**

20-22 King Street  
Bathgate  
EH48 1AX

**Independent examiners**

Malcolm Beveridge CA  
Chiene + Tait LLP  
Chartered Accountants and Independent Examiner  
61 Dublin Street  
Edinburgh  
EH3 6NL

**Bankers**

Bank of Scotland 50 Hopetoun Street Bathgate EH48 4EU	Unity Trust Bank plc 9 Brindley Place Birmingham B1 2HB	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
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**Employment advisers**

Employers in Voluntary Housing  
5<sup>th</sup> Floor  
137 Sauchiehall Street  
Glasgow  
G2 3EW

**Charity number:** SC027612

**Company number:** SC244154

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
(A Company Limited by Guarantee)**

**DIRECTORS' REPORT**

**For the year ended 31 March 2020**

The Directors submit their report together with the financial statements for the year ended 31 March 2020.

**OBJECTS OF THE CHARITY AND PRINCIPAL ACTIVITIES**

The charitable company's objects are:

The advancement of citizenship, community development and social enterprises (where the social enterprise is asset locked and non-profit distributing and is part of the voluntary sector), urban and rural regeneration and the promotion of civic responsibility, volunteering, the voluntary sector and the effectiveness of charities.

**Activities of the charity:**

The above objects shall be for the benefit of the public within West Lothian, primarily but not exclusively, through the promotion, facilitation and support of:

- Engagement and involvement and the development of civic duty;
- Volunteering: volunteers and volunteering organisations;
- Social Enterprise;
- Building capacity in the Third Sector;
- Co-operation, networking, partnership working;
- Communications dissemination of good practice, guidance and practical assistance;
- Printing, publishing and circulation of written and other materials, holding meetings, workshops and seminars.

The principal activities of the charity during the financial year were:

- Further strengthening the Governance and operation of Voluntary Sector Gateway West Lothian (VSGWL);
- Volunteering development;
- Support for Social Enterprises through our partnership with West Lothian Social Enterprise Network (WLSEN);
- Supporting and developing a stronger Third Sector;
- Building the Third Sector relationship with Community Planning Partnership (CPP) and Integration Joint Board (IJB).

**ACHIEVEMENTS AND PERFORMANCE**

***Significant activities in the year and their contribution to the principal activities above were:***

VSGWL has proactively promoted, developed and supported the third sector across West Lothian. We have further developed and strengthened our relationship with key funders and stakeholders at both local and national level. We have continued to see support and confidence in our work from partners as well as renewed engagement and enthusiasm about VSGWL from across the Sector.

We have invested in new larger premises that give us a more visible presence in the local community that will be transformed into a vibrant, volunteering and third sector hub in the future. The move to new premises took place in March 2020 but was brought to a premature halt following the COVID-19 lockdown. However, VSGWL was able to take a leadership role and respond positively by working at pace to provide a coordinated response to the sector, including close working partnership with West Lothian Council, to provide help and support to communities across the area.

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
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**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 March 2020**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

**Key Stakeholder engagement:**

**External influence**

We have further strengthened our relationship our with key partners such as West Lothian Council, Scottish Government, Community Planning Partnership (CPP), Integrated Joint Board (IJB) as well as NHS Lothian, DWP and the wider Third Sector. Notably, we have influenced strategic groups on the role and value of the Third Sector in the following areas;

*WL Council*

- Played an active role in the Funding Working Group between WL Council and other key Third Sector reps to improve transparency and processes around Voluntary Organisations Revenue Budget arrangements;
  - secured a 1-year standstill Third Sector budget allocation for 2020/21.
- Supported work of Integrated Joint Board (IJB), Community Planning Partnership (CPP), Strategic Planning Oversight Groups and forums
  - Contributed to planning and delivery of services at local level through active participation in CPP and IJB meetings and activities;
  - Supported Care Inspectorate and Health Improvement Scotland review into effectiveness of West Lothian`s Health and Social care arrangements;
  - Contributed to Climate Emergency Conference and established Third Sector Climate Emergency Working Group

*Scottish Government*

- Contributed to Third Sector Interface (TSI) funding formula review;
- Contributed to network and policy developments to support wider understanding of role, value and purpose of TSIs;
- Played an active role with the wider TSIs network to share best practice, identify gaps and issues and knowledge exchange.

*NHS Lothian*

- Supported NHS colleagues to develop 'NHS Lothian Volunteering Well' strategic partnership and production of membership list, terms of reference and workplan.

*DWP*

- Worked in partnership to support individuals with additional needs find volunteering roles and routes into employment;
- Hosted monthly volunteer drop-in sessions within West Lothian job centres.

*Wider Third Sector*

- Held a successful Outcomes and Impact reporting event for members, wider Sector, elected members, and other stakeholders;
  - Held Networking and Development Event
- Continued to develop and improve VSGWL communications and on-line support;
  - Carried out a communications review to better ensure VSGWL better able to meet the needs of Sector
  - Launched a revamped Website to better connect with the public and the Sector;
- Launched a new `Locator Tool` that allows Organisations to highlight the range of Services available across West Lothian;
  - Over time, tool will be able to report on the value of the Third Sector and the contribution and impact of volunteers

## **VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**

**(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 March 2020**

#### **External influence (continued)**

##### *Wider Third sector (continued)*

- Launched a new Funding Tool for the Sector;
- Consulted with the sector on the Voluntary Organisations revenue funding process
- Reviewed and refreshed purpose of important Third Sector Strategy Group (TSSG) which acts as sounding board for VSGWL
  - Redefined TSSG's Terms of Reference
  - Carried out election for Chair position
- Developed a Governance Self-assessment Tool and training for Trustees of Boards;

##### *VSGWL Operations*

- Invested in new larger, customised office premises in Bathgate to better meet the longer-term needs of VSGWL, local community and the wider sector; including opportunity for a new volunteering hub;
  - Established a Business Development Committee to explore strategic opportunities the new premises might provide including sub-letting opportunity
- Secured income from Town Centre Regeneration Fund to assist with capital expenditure
- Stabilised our Finances with more than 6 months cash in our reserves;
- Renewed our partnership with West Lothian Social Enterprise Network (WLSEN) to deliver Social Enterprise support and development services on our behalf;
- Reviewed the terms of reference for Quality, Governance and Compliance Committee
  - Developed and improved organisational Risk Register
  - Reviewed and updated >30 internal and external policies

#### **Development of Outcomes work**

In line with key Scottish Government Outcomes work to focus on key outcomes, we secured the following

##### *Voice*

- Ensured voice of Sector appropriately represented in key Council decision making forums and meetings;
- VSGWL shared ideas, best practice and collaborated with key local partners to build vibrant, strong and resilient communities including
  - Third Sector Strategy Group (TSSG)
  - West Lothian Voluntary Network (WLVN)
  - West Lothian Social Enterprise Network (WLSEN)

##### *Connect*

- VSGWL was involved in planning and delivery of services at local level through active participation in West Lothian Community Planning Partnership (CPP) and Integrated Joint Board (IJB)
- VSGWL attended and contributed to key West Lothian Forums and Working Groups including
  - Children and Families Forum
  - Anti-Poverty Strategy
  - Health in Later Life
  - Senior Peoples Forum
  - Community Justice
- VSGWL worked collaboratively with NHS Lothian, Police Scotland and Scottish Fire and Rescue Service and other CPP partners

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
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**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 March 2020**

**Development of Outcomes work (continued)**

*Build Capacity*

- Improved sector governance by exploring and developing a range of internal skills, knowledge, and expertise to better support organisations
- VSGWL supported individuals and communities across West Lothian to have better volunteering opportunities and routes into work
- VSGWL supported organisations who use volunteers
- VSGWL provided advice and support, signposting to people and organisations that can help
- VSGWL helped disadvantaged individuals and communities and empowered them to flourish

*Social Enterprise Network*

- VSGWL supported and provided funding to West Lothian Social Enterprise Network (WLSN) to stimulate local development across West Lothian

*Intelligence*

- Promoted Locator Tool with key CPP partners including Police Scotland, Scottish Fire and Rescue Service, Skills Development Scotland and DWP
- Improved Sector knowledge about impact and outcomes reporting

**FINANCIAL REVIEW**

The financial statements for the year to 31 March 2020 have been independently examined by Chiene + Tait LLP.

**Results for year**

Total income has decreased from £315,495 in 2019 to £284,276 in the year to 31 March 2020, though the 2019 figure includes a net gain of £37,732 on the disposal of the charity's previous building.

Core funding from Scottish Government has remained at standstill level for a further year and has been confirmed at that level until March 2021. The Scottish Government carried out a funding formula review during the year and determined to maintain the historical funding arrangements. Proposals for a three-year funding arrangement did not materialise.

West Lothian Council core funding remained at the same level as the previous year. A funding sub-group has been established with the participation of VSGWL to assist the Council develop its future funding strategy for the Third Sector. The Working Group has developed proposals for a new investment model of funding for the Sector including plans for multi-year funding moving forward.

Total expenditure has increased from £220,664 in 2019 to £276,472 in the year to 31 March 2020, however this includes a pension scheme remeasurement and discounting credit adjustment of £1,415 for 2020 and £54,891 for 2019. Excluding this credit, total expenditure has increased by £2,312 compared to the prior year.

At 31 March 2020 staff costs represented 70% (2019: 74%) of total expenditure excluding pension scheme movements.

Cash resources at 31 March 2020 were £145,258, a level which gives us encouragement to progress with our future plans.

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
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**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 March 2020**

**FINANCIAL REVIEW (continued)**

**Net assets**

The net asset position at 31 March 2020 has increased by £7,824 from the prior year. However, this reflects an increase in restricted funds of £39,750, whilst unrestricted funds decreased by £31,926 to £226,293 at the year end. The reserves continue to reflect the requirement of Charities SORP (FRS 102) to recognise our liabilities under the multi-employer defined benefit scheme in which the Charity participates by accruing the cost of agreed deficit reduction plan payments which amounted to £70,711. Each participating member is exposed to future funding risks arising from both members becoming unable to meet their obligations as well as to market levels. Note 19 provides further information on the significance of this.

**Reserves and reserves policy**

The present level of funding is adequate to support the continuation of activities for the foreseeable future and the directors consider the financial position of the charity to be satisfactory.

As the charity has no overdraft facilities it relies entirely on cash flow and its reserves to finance its day to day operations. In order to provide a stable platform for the delivery of outcomes expected by our stakeholders the directors' policy is that at least three months' operational expenditure is represented by unrestricted reserves, and this amounts to around £83,540 based on budgeted costs. Unrestricted reserves at 31 March 2020 were £226,293, but this includes £183,902 represented by fixed assets. Unrestricted reserves "free" of fixed assets are therefore £42,391 but this principally arises from the provision for long term pension obligations at 31 March 2020 of £59,838. The directors are relying on it being very unlikely that any of this long term obligation will fall due within the next 12 months, and in view of this and, for the purposes of our reserves policy only, we exclude this liability to give us unrestricted free reserves of £42,391, which is well in excess of the policy.

As at 31 March 2020, restricted funds were £40,679 and unrestricted funds £226,293, of which £nil were designated. In order to improve the financial security of the Charity the directors continue to explore opportunities for growing unrestricted funds.

**Going concern**

As disclosed in note 21 of the financial statements, due to COVID-19 the charity has moved to a fully remote working environment which has proved to be stable and effective at allowing operations to continue at a level of activity similar to that seen in the office environment. There is currently no significant impact to the charity's funding or operations.

The directors have considered financial forecasts for the next twelve months which take into account expenditure expected to be incurred in order to continue the development and improvement plan for the Charity. Key to this is the assumption that core funding will remain at historic levels. On this basis the directors are confident that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further information is set out in Note 20 of the financial statements.

**Plans for future**

Planned in the financial year to 31 March 2021 are:

- Lead and support the third sector's response to the Coronavirus pandemic
- Promote and help secure additional funding and grants for Sector to cope with impact of Covid-19
- Explore and develop funding partnership with National Lottery
- Create Covid-19 online resource hub
- Create Directory of Services that are offering help and support to local communities cope with impact of Covid-19
- Explore and support Covid-19 volunteering opportunities
- Create the volunteering hub within the new office premises
- Explore income diversification streams including sub-let opportunities of new premises
- Look to secure additional funding for VSGWL and sector to cope with impact of Covid-19
- Maintain and develop strengthen external influence with key stakeholders and partners
- Develop proposals through local Funding Working Group on new investment model to better support wider sector
- Support wider policy engagement with wider TSI network

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 March 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The organisation is a charitable company limited by guarantee. The company was established under a Memorandum and Articles of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Membership is open to Third Sector, Community, Public, and Private Sector Organisations and individuals operating within West Lothian who support the objects of the charity and agree to pay any subscription set by the directors. There are Full and Associate categories of membership, with only Third Sector and Community organisations active in West Lothian being able to become Full members and having voting rights. Associate members have the right to attend members' meetings.

**Organisational Structure**

VSGWL has a board of directors who meet every two months and are responsible for the strategic direction and policy of the charity.

The directors are responsible for ensuring that the charity delivers the services specified and that key performance indicators are met.

**Sub-Committees:**

The following sub-committees are in place:

Finance  
Staffing  
Quality Governance and Compliance  
Business Development

The organisation is managed on a day to day basis by the Chief Executive Officer under which the staff team deliver the agreed Work Plan.

**Organisation of our Work**

The charity is organised so that the directors meet regularly to manage its affairs. Any risks to which the charity may be exposed have been reviewed and systems have been established to mitigate those risks.

The Board remains responsible for overall governance. This includes ensuring senior management establish and maintain adequate systems of risk management and that the level of capital held is consistent with the risk profile of the organisation.

The Board has a clear strategy of what to delegate to management and how to monitor and evaluate the implementation of policies, strategies and business plans.

The Board has delegated the management of the organisation to the Chief Executive Officer (CEO). This delegation of authority includes responsibility for:

- Developing business plans, budgets and company strategies for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- Identifying and managing operational risks on a daily basis and, where those risks could have a material impact on the company's business, formulating strategies for managing these risks for consideration by the Board;
- Managing the company's current financial and other reporting mechanisms as well as its control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
- Ensuring that the Board and its sub-committees are provided with sufficient information on a timely basis in regard to the company's business to enable the board and those committees to fulfil their governance responsibilities;
- Implementing the policies, processes and codes of conduct approved by the Board.



**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 March 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

**Board Management Induction and Development**

A clear open and transparent policy and procedure has been developed for the recruitment of new directors.

All directors are given an induction which seeks to ensure their familiarity and understanding of the objectives of the Company, an understanding of its Governing Documents and familiarisation with the work plan for the current year.

Copies of past minutes, Annual Report and Financial Statements are made available as is a copy of the OSCR guidance for Charity Trustees.

Periodically the Board will meet with Senior Staff in attendance, to discuss strategic planning and organisational development needs.

Directors are encouraged to attend training events and conferences which will enhance their abilities and skills in undertaking their role as directors with the company and Trustees of the charity.

The Board is committed to individual and collective performance review.

**Key management personnel remuneration**

The directors consider the board and the chief executive officer as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year.

The pay of the charity's chief executive officer is reviewed annually and in line with available funding.

**Risk Management**

Systems and procedures have been established to mitigate the risks the charity faces. The Quality, Governance and Compliance Committee provides reports to the Board on its activities and the effectiveness of risk management, internal controls, compliance and governance matters. The Committee escalate any matters of significant concern and exception reports to the Board for their consideration and action.

The risk management strategy includes:

- regular review of the principal risks and uncertainties that the charity faces;
- establishment of policies, systems and procedures to mitigate those risks identified in the annual review;
- implementing procedures to minimise or manage any potential impact on the charity from those risks;
- Directors are committed to individual and collective performance review at Board level and have identified a need to prioritise this.

Financial sustainability is considered to be the main risk for the charity. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular discussions with funders, and active management of trade debtors and creditors balances to ensure sufficient working capital is available.

**Reference and administrative details**

Information about the charity is set out on page 1.

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 March 2020**

**Statement of directors' responsibilities**

The directors (who are also trustees of Voluntary Sector Gateway West Lothian for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

*Daniel Evans*

.....  
Daniel J Evans, Director

07/10/2020

I report on the financial statements of Voluntary Sector Gateway West Lothian for the year ended 31 March 2020 which are set out on pages 11 to 24.

This report is made to the Directors of Voluntary Sector Gateway West Lothian, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the Directors and to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Trustees and members of Voluntary Sector Gateway West Lothian, as a body, for my work or for this report.

**Respective responsibilities of Directors and independent examiner**

The charity's Directors (who are also the Trustees of the charity for the purposes of charity law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (the Regulations). The charity Directors consider that the audit requirement of Regulation 10(1)(a) to (c) of the Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the Directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1)(a) of the Act and Regulation 4 of the Regulations, and
  - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Regulationshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



**Malcolm Beveridge CA**  
**For and on behalf of**  
**CHIENE + TAIT LLP**  
**Chartered Accountants and Independent Examiners**  
**61 Dublin Street**  
**Edinburgh, EH3 6NL**

9 October 2020

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
(A Company Limited by Guarantee)

**STATEMENT of FINANCIAL ACTIVITIES**  
(including Income and Expenditure Account)

**For the year ended 31 March 2020**

	Notes	Un- Restricted Funds £	Restricted Funds £	Total 2020 £	Un- Restricted Funds £	Restricted Funds £	Total 2019 £
<b>Income from:</b>							
Donations and grants	3	237,095	41,679	278,774	248,159	9,786	257,945
Charitable activities	4	-	2,670	2,670	280	16,821	17,101
Other trading activities		2,638	-	2,638	2,297	-	2,297
Investments							
– bank interest		194	-	194	420	-	420
Gain on disposal of building		-	-	-	37,732	-	37,732
<b>Total income</b>		<b>239,927</b>	<b>44,349</b>	<b>284,276</b>	<b>288,888</b>	<b>26,607</b>	<b>315,495</b>
<b>Expenditure on:</b>							
Charitable activities	5	272,782	3,670	276,452	192,675	27,989	220,664
<b>Total expenditure</b>		<b>272,782</b>	<b>3,670</b>	<b>276,452</b>	<b>192,675</b>	<b>27,989</b>	<b>220,664</b>
<b>Net income/(expenditure)</b>		<b>(32,855)</b>	<b>40,679</b>	<b>7,824</b>	<b>96,213</b>	<b>(1,382)</b>	<b>94,831</b>
<b>Transfers</b>							
Gross transfers between funds	14,15	-	-	-	(1,382)	1,382	-
<b>Net movement in funds for the year</b>		<b>(32,855)</b>	<b>40,679</b>	<b>7,824</b>	<b>94,831</b>	<b>-</b>	<b>94,831</b>
<b>Reconciliation of funds:</b>							
<b>Fund balances brought forward at 1 April</b>	14,15	258,219	-	258,219	163,388	-	163,388
<b>Fund balances carried forward at 31 March</b>	14,15	225,364	40,679	266,043	258,219	-	258,219

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 13 to 24 form part of these financial statements.

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
**(A Company Limited by Guarantee)**

**BALANCE SHEET**

**As at 31 March 2020**

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	9		217,844		7,528
Intangible assets	10		5,808		7,508
			-----		-----
			223,652		15,036
<b>Current assets</b>					
Debtors	11	500		5,809	
Cash at bank and in hand		145,258		327,436	
		-----		-----	
		145,758		333,245	
<b>Liabilities:</b> amounts due within one year	12	(43,529)		(17,936)	
		-----		-----	
<b>Net current assets</b>			102,229		315,309
			-----		-----
<b>Total assets less current liabilities</b>			325,881		330,345
<b>Liabilities:</b> amounts due after more than one year	13		(59,838)		(72,126)
			-----		-----
<b>Net assets</b>			266,043		258,219
			=====		=====
<b>Funds</b>					
Unrestricted funds	15		225,364		258,219
Restricted funds	14		40,679		-
			-----		-----
			266,043		258,219
			=====		=====

**Audit Exemption Statement**

The Directors are satisfied that the company is entitled to exemption from the requirement to have an audit of the financial statements for the year ended 31 March 2020, under the provisions of section 477 of the Companies Act 2006 (the Act), and that no notice has been deposited with the company under section 476 of the Companies Act 2006 requiring an audit to be carried out.

The Directors acknowledge their responsibility for:

- ensuring the company keeps accounting records in accordance with section 386 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for that financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements insofar as they are applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were approved by the Directors on 07/10/2020 and are signed on their behalf by:

*Daniel Evans*

*Ann E. Pike*

.....  
 Daniel J Evans, Director

.....  
 Ann E Pike, Director

Company No. SC244154

The notes on pages 13 to 24 form part of these financial statements.

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
**(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2020**

**1. Company information**

Voluntary Sector Gateway West Lothian is a private limited company without share capital, incorporated and domiciled in Scotland with registered company number SC244154. The registered office and principal place of business is 20-22 King Street, Bathgate, West Lothian, EH48 1AX. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

**2. Accounting policies**

**Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Voluntary Sector Gateway West Lothian meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Going concern**

The financial statements have been prepared on a going concern basis. The directors have assessed the charitable company's ability to continue as a going concern and have reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements and are satisfied that no material uncertainties exist in respect of going concern. Further information relating to going concern is set out in note 20.

**Significant judgements and estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**(i) Defined benefit pension scheme**

The charity has certain obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in liaison with the pension scheme administrators in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

**Taxation**

Voluntary Sector Gateway West Lothian's charitable activities fall within the exemptions afforded by part 11 of the Corporation Tax Act 2010. Accordingly, there is no Corporation Tax charge in these financial statements.

**Donations, legacies and similar income**

Donations, legacies and similar income is included in the year in which it is receivable, which is when the charity becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably.

**Investment income**

Income from all investments is included in the year in which it is receivable.

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
**(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

**2. Accounting policies (Contd.)**

**Grants receivable**

Grants received, including capital grants, are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received, and the amounts can be quantified with sufficient reliability. Where donors specify that grants are for particular purposes, this income is included in incoming resources within restricted funds when receivable. Where grants are specifically made for the performance of charitable activities in a period subsequent to the year-end they are deferred and excluded from the Statement of Financial Activities.

**Expenditure**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities, with the exception of support costs which have been allocated to activities on the basis of the proportion of total staff involved in each category. Costs of charitable activities consist of those applied by the charity in meeting its charitable objectives. Within support costs are governance costs, which include the costs of general governance of the charity as opposed to direct management inherent in meeting charitable objectives, and are those associated with strategic, constitutional and statutory requirements.

**Operating leases**

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

**Tangible fixed assets**

All fixed assets over £500 are initially capitalised at cost, plus any incidental costs of acquisition.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	- 20% straight line
Furniture & Fittings	- 20% straight line
Property	- 2% straight line

**Intangible fixed assets**

Intangible assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its useful economic life as follows:

Software	- 20% straight line
----------	---------------------

**Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors**

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
**(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

**2. Accounting policies (Contd.)**

**Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Pensions**

The company participates in a multi-employer defined benefit pension scheme in respect of certain employees. Normal contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme. In addition, a deficit reduction plan is in place to which monthly contributions are made. The present value of the future cashflows have been recognised as a liability as set out in note 19.

The company also participates in a defined contribution scheme.

**Funds**

Unrestricted general funds are the funds which can be used in accordance with the charitable objects at the discretion of the directors. Restricted funds are the funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

<b>3. Donations and grants</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2020</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2019</b>
	£	£	£	£	£	£
Scottish Government – Core	187,200	-	187,200	187,200	-	187,200
Scottish Government – Change Management	-	1,000	1,000	-	9,759	9,579
WLC Development – Core	48,770	-	48,770	60,959	-	60,959
Donations – VSGWL	1,125	-	1,125	-	-	-
WLC Town Centre Capital Grant	-	39,750	39,750	-	-	-
Volunteer Awards Ceremony	-	929	929	-	27	27
	-----	-----	-----	-----	-----	-----
	237,095	41,679	278,774	248,159	9,786	257,945
	=====	=====	=====	=====	=====	=====

<b>4. Charitable activities - income</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2020</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2019</b>
	£	£	£	£	£	£
Supported Volunteering	-	-	-	-	7,450	7,450
Community Jobs Fund/SCVO	-	2,670	2,670	-	9,371	9,371
Membership fees and subscriptions	-	-	-	280	-	280
	-----	-----	-----	-----	-----	-----
	-	2,670	2,670	280	16,821	17,101
	=====	=====	=====	=====	=====	=====



**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
**(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

<b>5. Charitable activities expenditure</b>	<b>Un- restricted Funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
<b>Staffing costs:</b>				
Gross salaries	169,974	2,670	172,644	171,844
Employers' national insurance	10,389	-	10,389	10,615
Employers' pension contributions	9,402	-	9,402	7,785
Temporary staff costs – interim chief executive	-	-	-	11,459
Other staff costs	1,554	-	1,554	1,653
Pension scheme - remeasurement and discounting adjustments	(1,415)	-	(1,415)	(54,891)
	-----	-----	-----	-----
	189,904	2,670	192,574	148,465
	-----	-----	-----	-----
<b>Supplies and services:</b>				
Volunteer and other direct project expenses	678	-	678	2,833
Social Enterprise support	15,000	-	15,000	15,000
	-----	-----	-----	-----
	15,678	-	15,678	17,833
	-----	-----	-----	-----
<b>Support costs:</b>				
Premises costs	28,561	-	28,561	24,254
Postage, stationery, telephones and fax	7,282	-	7,282	9,187
Computer expenses	3,299	1,000	4,299	3,259
Travel expenses	1,592	-	1,592	1,367
Training and conferences	4,365	-	4,365	1,655
Recruitment	-	-	-	380
Consultancy and legal fees	-	-	-	726
Bank charges	280	-	280	318
General expenses	3,115	-	3,115	1,918
Subscriptions and marketing	7,825	-	7,825	5,577
Depreciation and amortisation	7,981	-	7,981	2,965
	-----	-----	-----	-----
	64,300	1,000	65,300	51,606
	-----	-----	-----	-----
<b>Governance costs:</b>				
Independent examination and legal fees (note 6)	2,900	-	2,900	2,760
	-----	-----	-----	-----
<b>Total</b>	<b>272,782</b>	<b>3,670</b>	<b>276,452</b>	<b>220,664</b>
	=====	=====	=====	=====

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
**(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

<b>6. Governance costs</b>	<b>2020</b>	<b>2019</b>
	£	£
Independent examination	2,900	2,760
	=====	=====
<b>7. Net income</b>	<b>2020</b>	<b>2019</b>
	£	£
This is stated after charging:		
Rentals payable in respect of operating leases	16,848	15,409
	=====	=====
<b>8. Analysis of staff costs and numbers, Directors' remuneration and expenses, and the cost of key management personnel</b>		
	<b>2020</b>	<b>2019</b>
	£	£
Wages and salaries	172,644	171,844
Social security costs	10,389	10,615
Employer pension contributions	9,402	7,785
Temporary staff costs – interim chief executive	-	11,459
Other staff costs	1,554	1,653
Remeasurement and discounting adjustments – defined benefit scheme (Note 18)	(1,415)	(54,891)
	-----	-----
	192,574	148,465
	=====	=====

No individual employees earned £60,000 or more, excluding employer pension contributions, during the year (2019: £Nil). None of the directors were remunerated for their duties as directors during the year. Out of pocket expenses totalling £1,057 (2019: £318) were reimbursed during the year in respect of directors.

The key management personnel of the charitable company, aside from the directors who are not remunerated, comprised the Chief Executive. The total employee benefits of the key management personnel of the charitable company during the year, including employer pension contributions and employer's National Insurance, were £38,312 (2019: £46,852).

The average number of employees during the year was 9 (2019: 9).

The average number of employees on the full-time equivalent basis during the year was 7 (2019: 7).

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

<b>9. Tangible fixed Assets</b>	<b>Heritable Property £</b>	<b>Office Equipment £</b>	<b>Furniture &amp; Fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2019	-	5,229	3,072	8,301
Additions	208,123	8,474	-	216,597
	-----	-----	-----	-----
At 31 March 2020	208,123	13,703	3,072	224,898
	-----	-----	-----	-----
<b>Accumulated depreciation</b>				
At 1 April 2019	-	429	344	773
Charge for year	2,532	2,763	986	6,281
	-----	-----	-----	-----
At 31 March 2020	2,532	3,192	1,330	7,054
	-----	-----	-----	-----
<b>Net book value</b>				
At 31 March 2020	205,591	10,511	1,742	217,844
	=====	=====	=====	=====
At 31 March 2019	-	4,800	2,728	7,528
	=====	=====	=====	=====
 <b>10. Intangible Assets</b>				<b>Software £</b>
<b>Cost</b>				
At 1 April 2019				8,500
Additions				-
				-----
At 31 March 2020				8,500
				-----
<b>Accumulated depreciation</b>				
At 1 April 2019				992
Charge for year				1,700
				-----
At 31 March 2020				2,692
				-----
<b>Net book value</b>				
At 31 March 2020				5,808
				=====
At 31 March 2019				7,508
				=====

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

<b>10. Debtors</b>	<b>2020</b>	<b>2019</b>
	£	£
Sundry debtors	-	189
Prepayments	-	5,620
Other debtors	500	-
	-----	-----
	500	5,809
	=====	=====

<b>12. Liabilities:</b> amounts falling due within one year	<b>2020</b>	<b>2019</b>
	£	£
Other creditors	971	1,116
Other taxes and social security costs	3,198	1,177
Pension deficit reduction plan payments (Note 19)	10,873	10,556
Accruals	28,487	5,087
	-----	-----
	43,529	17,936
	=====	=====

<b>13. Liabilities:</b> amounts falling due after more than one-year	<b>2020</b>	<b>2019</b>
	£	£
Pension deficit reduction plan payments (Note 19)	59,838	72,126
	=====	=====

<b>14. Restricted funds 2020</b>	<b>Brought Forward</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Transfer of funds</b>	<b>Carried Forward</b>
	£	£	£	£	£
SCVO – Cyber essentials	-	1,000	(1,000)	-	-
WLC Town Centre Capital Grant	-	39,750	-	-	39,750
Volunteer Awards Ceremony	-	929	-	-	929
Community Jobs Scotland	-	2,670	(2,670)	-	-
	-----	-----	-----	-----	-----
	-	44,349	(3,670)	-	40,679
	=====	=====	=====	=====	=====

<b>Restricted funds 2019</b>	<b>Brought Forward</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Transfer of funds</b>	<b>Carried Forward</b>
	£	£	£	£	£
Supporting Volunteering	-	7,477	(7,477)	-	-
Scottish Government – Change Management	-	9,759	(9,759)	-	-
Community Jobs Scotland	-	9,371	(10,753)	1,382	-
	-----	-----	-----	-----	-----
	-	26,607	(27,989)	1,382	-
	=====	=====	=====	=====	=====

The use of the funds held in each of the restricted funds identified above is limited to the purposes for which the projects were established and for which funding was made available.

Details of the nature of each fund are noted below:

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

**14. Restricted funds (Contd.)**

**SCVO – Cyber essentials**

This grant has been provided by the SCVO to fund training and validation of IT systems.

**Scottish Government Change Management**

This grant has been provided by the Scottish Government to fund IT support in 2019/20 and to fund an interim CEO in 2018/19.

**WLC Town Centre Capital Grant**

This funding has been provided by West Lothian Council for the creation of a Volunteering / Third Sector Hub. A property was acquired and renovations were completed just before the end of March 2020.

**Volunteer Awards Ceremony**

Funding received in respect of the volunteer award ceremony which has not been expended in the year to 31 March 2020.

**Community Jobs Scotland**

Community Jobs Scotland funding was provided for the employment of selected staff members to undertake a general role within the charity. A transfer was been made from core funds to meet the deficit at 31 March 2019.

**Supported Volunteering**

The Higher Support Needs Volunteering Project was designed to assist volunteers who needed additional support, through ill health or disability. Sustained volunteer training, support and expenses were provided. This project was financed by West Lothian Council.

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
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**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

<b>15. Unrestricted Funds</b>	<b>Brought Forward</b> £	<b>Income</b> £	<b>Expenditure</b> £	<b>Transfer</b> £	<b>Carried Forward</b> £
General unrestricted funds	71,219	239,927	(272,782)	187,000	225,364
Designated fund - New property fund	187,000	-	-	(187,000)	-
	-----	-----	-----	-----	-----
	258,219	239,927	(272,782)	-	225,364
	=====	=====	=====	=====	=====

General unrestricted funds which comprise the general funds, are expendable at the discretion of the directors, in furtherance of the objects of the company.

New property fund - The directors agreed to set aside £187,000 of the proceeds from the sale of its previous premises during the year to go towards the relocation and acquisition costs of new permanent premises. The new property was acquired and the renovation was completed just before the end of March 2020.

<b>16. Analysis of net assets between funds 2020</b>	<b>Fixed Assets</b> £	<b>Net Current Assets</b> £	<b>Due after More than One year</b> £	<b>Total</b> £
Unrestricted general funds	183,902	101,310	(59,838)	225,364
Unrestricted designated funds	-	-	-	-
Restricted funds	39,750	929	-	40,679
	-----	-----	-----	-----
	223,652	102,239	(59,838)	266,043
	=====	=====	=====	=====

<b>Analysis of net assets between funds 2019</b>	<b>Fixed Assets</b> £	<b>Net Current Assets</b> £	<b>Due after More than One year</b> £	<b>Total</b> £
Unrestricted general funds	15,036	128,309	(72,126)	71,219
Unrestricted designated funds	-	187,000	-	187,000
Restricted funds	-	-	-	-
	-----	-----	-----	-----
	15,036	315,309	(72,126)	258,219
	=====	=====	=====	=====

**17. Financial commitments**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2020</b> £	<b>2019</b> £
Within one year	16,708	16,708
Within 2 to 5 years	-	18,100
	-----	-----
	16,708	34,808
	=====	=====

**18. Related party transactions**

There were no related party transactions in the current or prior year.

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN**  
**(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

**19. Pensions**

**Pension schemes**

The charity participates in the Scottish Voluntary Sector Pension Scheme which is a multi-employer defined benefit scheme. The Scheme is funded and was contracted-out of the State scheme until 31 March 2010, when the scheme was closed to future accrual. From 1 April 2010 contributions in respect of future service ceased.

The Pension Trustee commissions an actuarial valuation of the Scheme every three years. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by expected future benefit payments using a discounted rate calculated by reference to future investment returns.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2018 and showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, and it therefore accounts for the scheme as a defined contribution scheme.

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme was classified as a 'last-man standing arrangement', and therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Due to the actuary calculating a significant potential employer debt a recovery plan came into effect whereby the charity is contracted to make payments to eliminate the past service deficit. These payments will have to be made on an on-going funding basis by 31 March 2022.

The charity was also contractually obligated to pay the past service deficit of Voluntary Action West Lothian. The contributions made in respect of this deficit and that of Voluntary Sector Gateway West Lothian totalled £10,556 (2019: £12,247).

**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

**19. Pensions (continued)**

**Deficit contributions**

From 1 April 2019 to 30 September 2026 a total of £1,500,000 per annum (payable monthly and increasing by 3% each year on 1 April) is payable by the participating employers (Voluntary Sector Gateway West Lothian's share is £10,056 pa).

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost in the Statement of Financial Activities.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Present value of provision	70,711	82,682
	=====	=====
<b>Reconciliation of opening and closing provisions</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Provision at start of period	82,682	150,000
Unwinding of discount factor	1,124	2,896
Deficit contribution paid	(10,556)	(12,427)
Remeasurements – impact of any change in assumptions	(2,539)	1,917
Remeasurements – amendments to the contribution schedule	-	(59,704)
	-----	-----
Provision at end of period	70,711	82,682
	=====	=====
<b>Assumptions</b>	<b>2020</b>	<b>2019</b>
	<b>% pa</b>	<b>% pa</b>
Rate of discount	2.57	1.46
	=====	=====

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**Defined contribution scheme**

Voluntary Sector Gateway now contributes to a Group Personal Pension Scheme and the contributions to this plan are included in note 8.



**VOLUNTARY SECTOR GATEWAY WEST LOTHIAN  
(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 March 2020**

**20. Going concern**

The charity relies upon funding from the local authority, the Scottish Government and reserves to meet its day to day working capital requirements. The directors have prepared cash flow forecasts up to 31 March 2021 on the assumption of the continuation of core funding from the local authority and the Scottish Government.

As a result of the recognition of the charity's future defined benefit pension scheme deficit reduction plan payment obligations following the adoption of the Charity SORP FRS102 during the year to 31 March 2016, unrestricted funds now include a provision of £70,711. The directors consider that the actual payments required over future years can be met from unrestricted funds and cash reserves when they fall due, and therefore consider it appropriate to prepare the accounts on the going concern basis.

**21. Events after the end of the period**

Prior to the year end the COVID-19 pandemic started to impact the UK. The charity has moved to a fully remote working environment which has proved to be stable and effective at allowing operations to continue at a level of activity similar to that seen in the office environment. There is currently no significant impact to the charity's funding or operations.